

PUBLIC DISCLOSURE

JANUARY 11, 2001

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

ONE TWENTY CREDIT UNION

**PO BOX 41
JAMAICA PLAIN, MA. 02130-0001**

**DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110**

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>

GENERAL INFORMATION

The Community Reinvestment Act (CRA) requires the Division of Banks (Division) to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its assessment area.

This document is an evaluation of the Community Reinvestment Act (CRA) performance of **ONE TWENTY CREDIT UNION** prepared by the Massachusetts Division of Banks, the institution's supervisory agency, as of January 11, 2001.

The following is a summary of the Performance Tests for the period January 1, 1999 through December 31, 2000.

INSTITUTION'S CRA RATING: This institution is rated "Satisfactory"

This examination was conducted utilizing three performance criteria for industrial institutions: 1) Average Loan to Share Ratio, 2) Lending to Borrowers of Different Incomes and 3) Fair Lending.

The credit union's lending activity has fluctuated during the current exam period with an average loan to deposit (share) ratio of 41.4%. Given its limited asset size, however, the credit union was found to meet satisfactory performance standards in this regard. The credit union was found to have a good distribution of loans to borrowers of different income levels and was accorded a rating of satisfactory in this category. Fair Lending performance was also found to be satisfactory.

PERFORMANCE CONTEXT

Description of Institution

One Twenty Credit Union is an industrial credit union, incorporated under the laws of the Commonwealth of Massachusetts in 1936. The credit union is affiliated with and serves the members of the Knights of Columbus of the Jamaica Plain, West Roxbury and Hyde Park Councils. One Twenty Credit Union is headquartered in the Knights of Columbus Hall in Roslindale, Massachusetts on Washington Street. Credit union hours are from 6:30 p.m. to 9:00 p.m. on Fridays and are considered convenient and accessible to its members.

As of December 31, 2000, One Twenty Credit Union had approximately \$324,956 in assets, of which 56.6% are in the form of loans. The credit union is primarily a consumer lender with 77.7% of its loan portfolio representing unsecured consumer loans and 22.3% representing used vehicle loans.

The loan underwriting procedures were reviewed during the examination, as were the procedures for completing a loan application and no practices intended to discourage applications were found.

The credit union was last examined for CRA by the Division of Banks on April 10, 1998. That examination resulted in a "Satisfactory" rating.

Description of Assessment Area (Membership)

According to the Massachusetts Community Reinvestment Act Regulation, 209 CMR 46.41, a credit union whose membership is not based on residence may identify its membership as its assessment area.

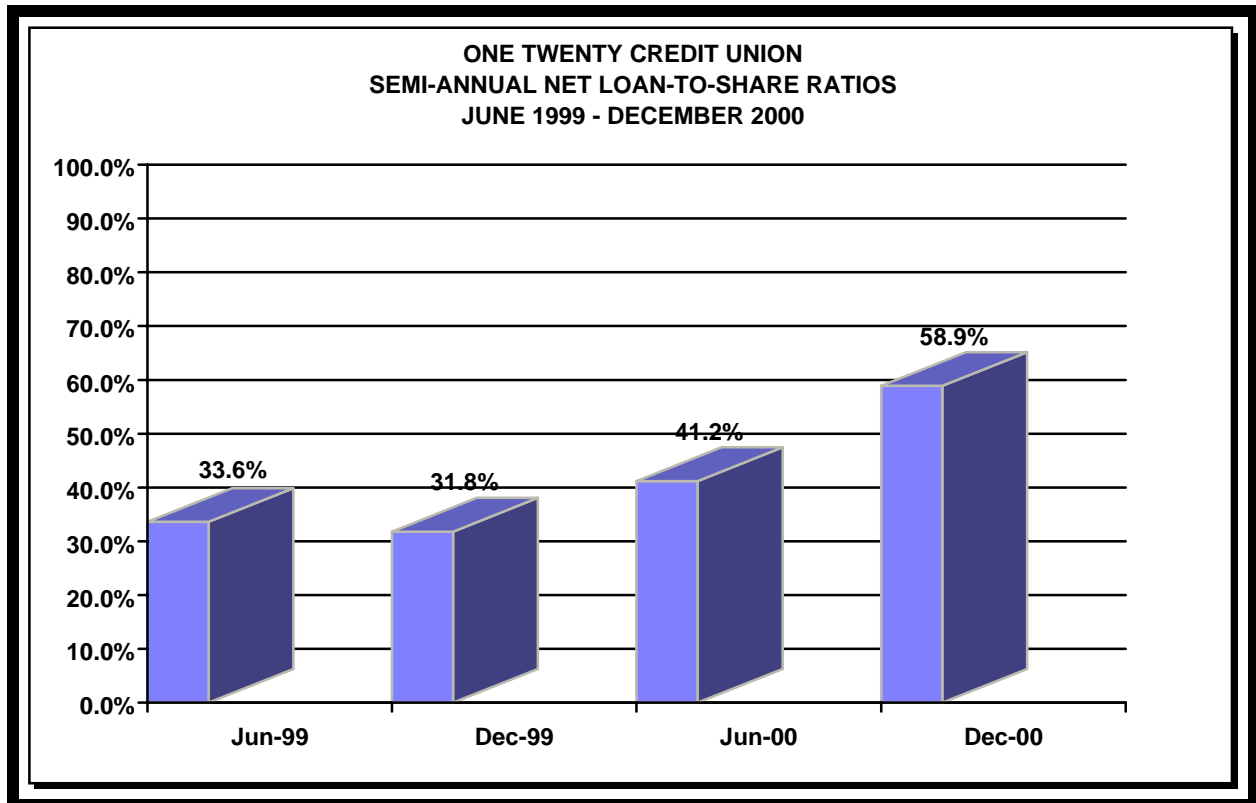
One Twenty Credit Union's has defined its assessment area as the membership of the Jamaica Plain Council, Knights of Columbus, and Jamaica Plain Council Building Association. Credit is extended to members and their extended families. The location of the credit union places it within the Boston Metropolitan Statistical Area (MSA).

PERFORMANCE CRITERIA

1. LOAN TO SHARE ANALYSIS

An analysis of One Twenty Credit Union's net loan to deposit (share) ratio was performed. The calculation incorporated two years of the credit union's net loan to total deposit (share) figures utilizing the NCUA 5300 Call Reports. The period reviewed included June 30, 1999, through December 31, 2000. The credit union's average net loan to deposit ratio was 41.4% during this period. This ratio has fluctuated from a low of 31.8% in December 1999 to a high of 58.9% in December 2000. The credit union realized a substantial increase in lending activity during the December 2000 period resulting in the unusually high loan to deposit ratio for that period.

The following graph illustrates the loan to share trends.



Source: NCUA Call Reports

Given its small size and lack of resources, One Twenty Credit Union's net loan to share ratio performance was determined to be satisfactory.

2. COMPARISON OF CREDIT EXTENDED INSIDE AND OUTSIDE OF THE ASSESSMENT AREA.

As mentioned above, under the Massachusetts CRA Regulations 209 CMR section 46.41, a credit union whose membership by-law provisions are not based on residence, such as One Twenty Credit Union, may define its assessment area as its membership. Since One Twenty Credit Union has elected to define its assessment in this manner, no geographic analysis of the extension of credit was performed.

3. DISTRIBUTION OF CREDIT AMONG DIFFERENT INCOME LEVELS

An analysis was conducted of consumer loans extended to borrowers of different income levels. Originations were categorized by the ratio of the applicant's reported income to the 1999 and 2000 estimated median family incomes of the Boston Metropolitan Statistical Area (MSA). The median family incomes for the Boston MSA were \$62,700 for 1999 and \$65,500 for 2000. Income figures were based on estimated 1999 and 2000 data from the Department of Housing and Urban Development (HUD).

Low income is defined by the US Census Bureau as income below 50 percent of the median family income level for the MSA. Moderate income is defined as income between 50 to 79 percent of the median family income level for the MSA. Middle income is defined as income between 80 and 119 percent of the median family income level for the MSA. Upper income is defined as income greater than 120 percent of the median family income level for the MSA.

The credit union originated 57 consumer loans during the current examination period. This was a substantial increase from the prior examination period where only 19 loans were granted.

The following tables present the distribution of consumer lending within One Twenty Credit Union's membership, specifically as it relates to the number and dollar volume of loans originated by borrower income.

Consumer Loan Originations by Income of Borrower by Number

% OF MEDIAN MSA INCOME	1999		2000		TOTAL	
	#	%	#	%	#	%
< 50%	7	31.8	16	45.7	23	40.4
50% - 79%	9	40.9	12	34.3	21	36.8
80%-119%	2	9.1	7	20.0	9	15.8
>=120%	4	18.2	0	0.0	4	7.0
TOTAL	22	100%	35	100%	57	100%

Source: In-House Files

Consumer Loan Originations by Income of Borrower by Dollar Amount

% OF MEDIAN MSA INCOME	1999		2000		TOTAL	
	\$(000)	%	\$(000)	%	\$(000)	%
< 50%	18	25.3	64	36.4	82	33.2
50% - 79%	25	35.2	90	51.1	115	46.5
80%-119%	9	12.7	22	12.5	31	12.6
>=120%	19	26.8	0	0.0	19	7.7
TOTAL	71	100%	176	100%	247	100%

Source: In-House Files

As indicated above, 40.4% of the number of consumer loans were granted to low-income members, and 36.8% were granted to moderate-income borrowers. By dollar amount, 33.2% and 46.5% were extended to low and moderate-income members, respectively.

It should be noted that most consumer loans are applied for on an individual basis, and therefore, the income considered is individual income. However, the above analysis utilizes median family income for comparison purposes, which may have the effect of skewing or overstating the percentage of loans to low to moderate-income borrowers.

The above data indicates that the credit union has a good penetration of loans among members of different income levels, especially those of low and moderate-income. Therefore the credit union meets the standards for satisfactory performance for this criterion.

4. GEOGRAPHIC DISTRIBUTION OF LOAN

The Massachusetts CRA regulation 209 CMR 46.00, allows a credit union whose membership by-laws provisions are not based on residence to designate its membership as its assessment area. Therefore, since One Twenty Credit Union has defined its assessment area as its membership, as opposed to a geographical area, an evaluation of credit extended within defined geographic areas was not conducted.

5. REVIEW OF COMPLAINTS/ FAIR LENDING POLICIES AND PRACTICES

One Twenty Credit Union has not received any complaints related to its CRA performance since the previous examination. However, the Credit union has procedures in place should any consumer complaints related to CRA be received.

FAIR LENDING POLICIES AND PRACTICES

The credit union's small size and limited resources limit the extent to which it can meet the requirements of the Division of Bank's Regulatory Bulletin 2.3-101. The credit union's staff training is adequate. However, outreach, marketing, credit products and underwriting standards are directly affected by resources and limited product offerings. The institution has developed a second review process in which all loans considered for denial are referred to the Credit Committee by the loan officer prior to issuing a written notice of denial. Based on the foregoing information, the credit union meets the standards for satisfactory performance in this category.

THE COMMONWEALTH OF MASSACHUSETTS

To the COMMISSIONER OF BANKS:

THIS IS TO CERTIFY, that the report of examination of the

ONE TWENTY CREDIT UNION

for compliance with applicable consumer and fair lending rules and regulations and the Community Reinvestment Act (CRA), as of the close of business **JANUARY 11, 2001**, has been read to or by the undersigned and the matters referred to therein will have our immediate attention.

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A majority of the Board of Directors/Trustees

Dated at _____ this _____ day of _____ 20 ____

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one assessment area, each office (other than off-premises electronic deposit facilities) in that assessment area shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.